

# CITY OF LONG BEACH

Fiscal Year

# 2022

## Proposed Budget






# UNPRECEDENTED CHALLENGES OVERCOME BY UNPRECEDENTED ACTION


In 2020, a pandemic, the injustices of systemic racism, and an uncertain economy all became top priorities for the City. The City engaged directly with residents and business to discuss their needs and concerns, and listen to accounts of inequity across Black, Latinx, Cambodian, and other communities of color. When Federal CARES Act funding became available, the City was able to take action to fund programs that reflected the priorities and needs expressed during public feedback. Listed below, is a brief snapshot of some of the programs enacted using CARES funding:

\$2.9 MILLION LEVERAGED TO INCREASE ACCESS TO FOOD




11,359 Grocery Boxes Delivered  
74,260 Prepared Meals Delivered

OLDER ADULTS SUPPORTED WITH HEALTHCARE, FOOD, & TRANSPORTATION




21,153 Total Households Reached  
585 Care Kits Distributed

OVER \$1 MILLION TO SUPPORT DIGITAL INCLUSION




21,101 Persons Reached  
1,093 Hotspots Distributed

OVER \$2 MILLION LEVERAGED TO PROVIDE SHELTER TO INDIVIDUALS EXPERIENCING HOMELESSNESS



110 Project Homekey Units  
115 People Sheltered During the COVID-19 Pandemic

\$500,000 SPENT ON HOUSING CONDITIONS IMPROVEMENTS

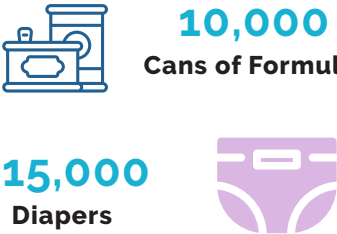


155 Residents Received Home Repairs

OVER \$1.2 MILLION AWARDED TO NON-PROFITS SERVING BIPOC COMMUNITIIES



17,344 CHILDREN AND FAMILIES SUPPORTED




10,000 Cans of Formula  
815,000 Diapers

OVER \$1 MILLION IN SMALL BUSINESS GRANTS IN BUSINESS IMPROVEMENT DISTRICTS



202 Businesses Awarded  
Provided PPE, Sanitization & Cleaning Services to Small Businesses

\$1 MILLION TO SUPPORT BLACK HEALTH EQUITY




Grants to Support Majority Black Serving Nonprofits and Small Businesses  
Access to Mental Health Care



34,560 Hours of Early Care and Education

OVER \$1 MILLION IN SMALL BUSINESS OUTDOOR DINING GRANTS



144 Grants Paid Up to \$10,000

## MESSAGE FROM THE CITY MANAGER

I am pleased to present to you the Proposed Fiscal Year 2022 (FY 22) Budget. This is a budget that was developed during the worldwide pandemic crisis, which has greatly altered the City's finances over the past year. As we work together to rebuild and recover from the impacts of the pandemic, the Proposed FY 22 Budget preserves the great services and amenities that support our community and provides major recovery efforts for our residents and businesses.

Over the past year, despite unprecedented challenges due to the initial and ongoing effects of the COVID-19 pandemic, and associated budget shortfalls, the City has made tremendous strides in providing ongoing support to local residents and businesses, as well as achieving many other accomplishments. We have launched the COVID-19 Relief Payment Plan Program, the Long Beach Emergency Rental Assistance Program, as well as the \$40.3 million comprehensive, equity-based spending plan, funded by the Coronavirus Aid, Relief, and Economic Security Act, providing \$14.4 million towards community support and \$6.75 million towards business recovery and resiliency efforts. We have expanded services for people experiencing homelessness through Project RoomKey that provided housing via a 133-room facility, and Project Homekey that provided 102-rooms of interim housing and additional services. We continue to implement our multifaceted Racial Equity and Reconciliation Initiative, with one of the strategic goals leading to the development and adoption of the Youth Strategic Plan.

The City developed, early in 2021, the Long Beach Recovery Act ahead of most other cities in the country. It funds a number of major economic, public health and fiscal initiatives for Long Beach residents, business owners and workers critically impacted by the pandemic. The Long Beach Recovery Act, using federal funds, will also cover the estimated \$30 million General Fund shortfall in FY 22 on a one-time basis. This allows the City to maintain our current services in a key recovery year that would otherwise be in jeopardy. This also provides time to develop a permanent strategy and solution for the likely substantial shortfall the following year in FY 23. The Proposed FY 22 Budget highlights the revised plan for these funds based on updated federal funding allocations that were lower than previously expected and affirms the City's commitment to invest into the recovery and resiliency of our City and community.

In presenting my second proposed budget as City Manager, I continue to be committed to working together with our residents, business, community-based organizations, neighborhoods, and our Mayor and City Council as we move forward in the uncharted waters of pandemic recovery. I am confident we will be more resilient than ever and continue to build a city where every Long Beach resident has a safe place to live and the opportunity to thrive.

Thomas B. Modica  
City Manager

# LONG BEACH RECOVERY ACT


Since the City Council declared a local health emergency to address the COVID-19 pandemic, the City's top priority has been to mitigate the risks to residents' health and well-being, and lessen the negative impacts to the local business community. City staff initiated five economic equity studies and conducted more than 30 listening sessions with over 350 community leaders to learn more and dig deeper into how to address where impacts were being felt.

On March 16, 2021, guided by community feedback, the City Council approved the Long Beach Recovery Act to address the public health and economic impacts and disparities of the COVID-19 pandemic by utilizing federal, State, and county funding to provide a variety of relief programs to the community. Long Beach Recovery Act in all aspects, utilizes an equity lens to identify the unique needs for the community and includes funding for specific programs, outreach, language access, and digital access to ensure that Long Beach Recovery Act will assist all of those in need throughout Long Beach. Based on the extensive community input and the use of an equity lens, the Long Beach Recovery Act provides funding of \$249.3 million to support three targeted categories - Economic Recovery, Healthy and Safe Community, and Securing Our City's Future.


### ECONOMIC RECOVERY

\$64 million


Focuses resources on residents and businesses most impacted by the pandemic and relaunching business sectors hardest hit by the pandemic to promote inclusive economic recovery.




COVID-19 Protection for Businesses and Non-Profits: \$13 million




Direct Business Support: \$20.6 million




Airport Operations: \$15.1 million




Economic Inclusion: \$7.6 million




Clean City: \$4 million



Technical Assistance: \$500,000



Economic Stability: \$1.6 million




Micro/Public Transit Pilot: \$1.6 million


### HEALTHY AND SAFE COMMUNITY

\$108.5 million


Focuses resources on addressing the underlying factors impacting health and prioritizes the basic mental and physical health needs of the community members most adversely impacted by the pandemic.



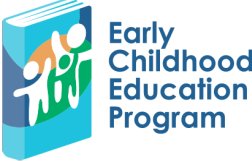
Basic Needs: \$6.3 million




Physical and Mental Health Equity: \$12.1 million



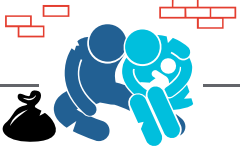
Public Health COVID-19 Response: \$15.7 million




Early Childhood Education and Support: \$2.8 million




Violence Prevention and Safe Cities: \$3.6 million




Homelessness: \$10.9 million



Housing Support: \$56.4 million



LB Justice Fund: \$300,000




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Wika Pag-access  
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Language Access: \$500,000

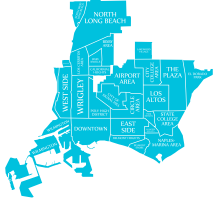
### SECURING OUR CITY'S FUTURE

\$76.7 million

Maintains and provides City services in FY 21 and FY 22 that otherwise would have likely been significantly reduced due to budgetary shortfalls in both years. It also allows for the restoration of depleted emergency and operating reserves that were adversely impacted by the pandemic.



Maintaining Services for Residents and Businesses in the current year (FY 21) and the coming year (FY 22): \$35.2 million



Effectively allows depleted reserves to be restored by funding current services: \$41.5 million



# OTHER NOTABLE PROPOSED FY 22 BUDGET ITEMS

The Proposed FY 22 Budget focuses on preserving current services as the City and community work to recover from the pandemic's impacts. In most cases, there are no significant changes to the budget, except for a few critical and strategic investments. Below are some highlights of these notable changes.

Detailed information is available in the full Proposed FY 22 Budget Book.

## General Fund

- Diversity Recruitment, Mentorship, and Partnership Program in the Police Department – approximately \$220,000 all offset within current budget to foster a workforce that reflects the diverse community
- Fire Diversity Recruitment Program – approximately \$250,000 one-time funding to continue fostering diversity in the Fire Department
- Elections and Redistricting funds – \$2.18 million one-time funding needed for primary elections in FY 22 and the independent redistricting commission work
- Funding previous commitments like maintenance for the new Wrigley Greenbelt, maintenance and programming for the new Lincoln Park, funding for regular mandates, and budget neutral department reorganizations

## Measure A

- Continue to support all the past restorations, public safety maintenance, and administrative support
- \$2.5 million to keep Engine 17 in service for another year in the Fire Department; previously funded with one-time funds only through FY 21
- \$2.2 million for Neighborhood Safe Streets Initiative in the Police Department (part of previous out-year plan)
- \$13.6 million for Public Safety communications technology (part of previous out-year plan)
- \$1 million for Community Hospital (part of previous out-year plan)
- \$20.8 million Infrastructure, which includes past commitments and funding for Police and Fire academies and other infrastructure, as well as a new \$4 million for the ADA sidewalk curbcut work

## Measure US

- Measure US funded enhancements – approximately \$1.3 million of additional oil barrel tax revenue for the priority areas of climate change, public health, and children and youth service programs

## Other Funds

- Several funds have organizational and other operational changes and enhancements offset by the revenue or funds available in those particular funds

## LOOKING TO THE FUTURE

The FY 22 General Fund shortfall situation of approximately \$30 million will be temporarily resolved with federal funds. This is a one-time solution and the City will need to address the shortfall in FY 23 when federal funds are no longer available. The City Manager and staff will develop plans to prepare for future budget challenges and work together with the Mayor, City Council, and community to best deliver services with prudent fiscal practices.

## The City has 37 Financial Funds

The General Fund at about 21 percent of the budget (approximately \$625 million) is the only completely discretionary fund and supports most of the work people associate with a City, such as public works, public safety, parks, and libraries. The other thirty-six funds make up the majority of the City's budget and are restricted by law for specific services. The funds fall into the following categories:

### Enterprise Funds: \$1.1 billion

These funds operate like a business charging for services, such as Airport, Harbor, and Water.

### Internal Services Funds: \$578 million

These funds account for internal services provided to City departments with charges to those departments for the services; includes Fleet and the Insurance Fund.



### Tidelands Funds: \$226 million

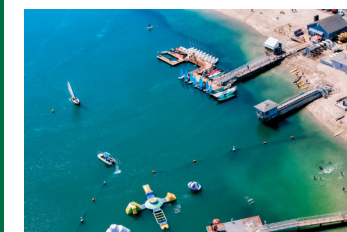
These funds support operations and projects along the beach areas, funded by proceeds of oil revenues, transfers from Harbor, and Marina fees, among others.

### Special Revenue Funds: \$267 million

These funds account for activities that are paid for by State and federal grants, taxes, or designated revenue sources that are restricted for special purposes, such as the Health Fund.

### Capital Projects Fund: \$138 million

This fund accounts for the planning, design, and construction of major capital improvements; funded by federal, State and county grants, impact fees, and transfers including from Measure A.



### Uplands Oil Fund: \$10 million

This fund receives non-Tidelands oil revenue to fund operations and capital.



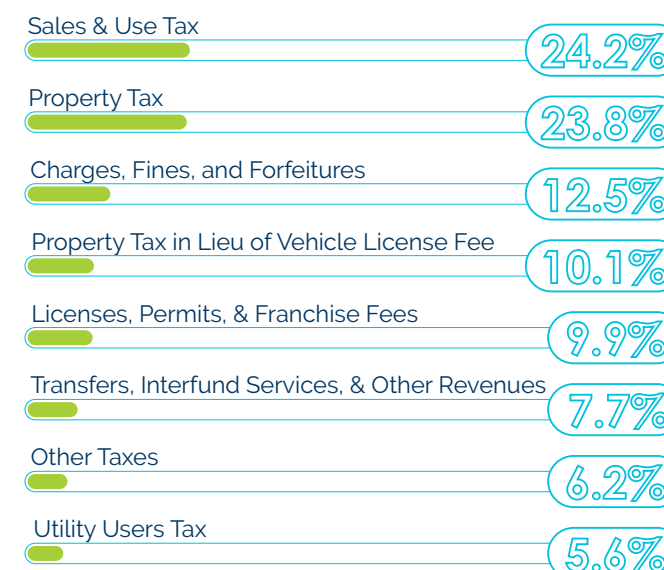
### Debt Service Fund: \$8 million

This fund accounts for the payment of governmental debt.

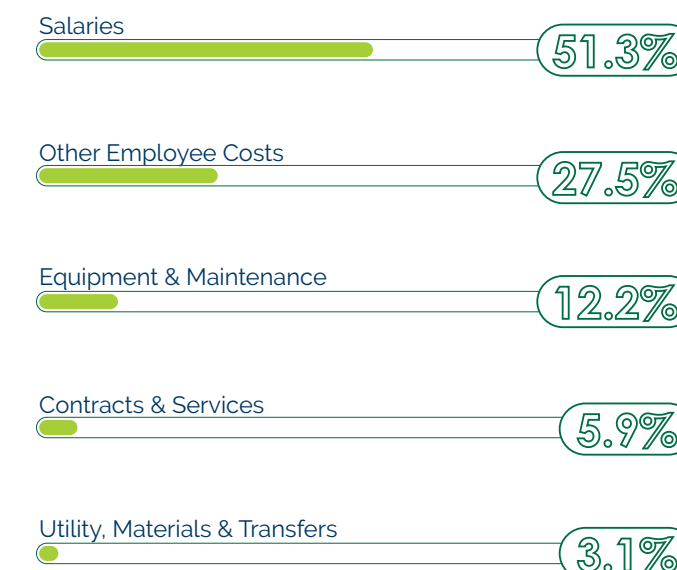
## Understanding the General Fund

Each year, the funding available to support City services fluctuates. The majority of the General Fund is comprised of tax revenues, and the most significant costs are the employees who deliver City services. The numbers below reflect the approximate share of each revenue source and expense category per year.

## REVENUE SOURCES



## EXPENDITURE BREAKDOWN



For more information on the budget, community budget meetings, and budget survey, visit: [longbeach.gov/finance](https://longbeach.gov/finance)



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Visit us at [www.longbeach.gov](https://www.longbeach.gov)



LongBeachCity

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